

Press Release

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Changes to the State and Local School Enrichment Levies and How It Affects Your Property Tax Levies

EVERETT – In 2017, the Legislature passed EHB 2242 partly in response to the Supreme Court's McCleary decision. The Court found that the State was not meeting its constitutional requirement to fully fund basic education. EHB 2242 has several components pertaining to basic education funding. At least two of the components will impact your tax bill now and in the future.

First, EHB 2242 created a second portion to the state school levy with collection beginning in 2018. The new second portion increased the combined rate by \$0.82 in 2018. Legislature passed SSB6614 that will reduce the state school levy rate in 2019. The combined rate decreased \$0.28 from last year's rate of \$2.85 to this year rate of \$2.57. The average Snohomish County residential property owner with an assessed value of \$377,600 would have paid \$1,076 to the state school levy in 2018; in 2019 that owner with an average assessed value of \$424,300 will pay \$1,090. The State Department of Revenue calculates the portion Snohomish County property owners will be responsible for. The Assessor's Office calculates the rate.

Second, beginning in <u>2019</u>, EHB 2242 imposes limitations on how much can be collected in local school (Enrichment) levies by restricting the levy to the lesser of \$1.50 levy rate or \$2,500 per pupil. This change affects both existing and new local school levies. Below are charts that show the levy rates for tax years 2018 and 2019 for the state school levy and local schools enrichment levies. Overall, the owner of an average Snohomish County residential property will see a reduction in local schools enrichment and a slight increase in state school taxes in 2019.

Third, the Legislature passed SSB6614 that will reduce the state school levy rate in 2019. In Snohomish County the 2019 state school levy rate is \$2.57 per thousand in assessed value. The following chart shows the average 2018 residence value in Snohomish County and the effect of taxes if the value stays the same or increases in 2019 using the state school levy rate \$2.57 per thousand of assessed value:

	2018		2	019 Scenarios		
Value increase %:		0%	5%	10%	12.4%	15%
Value:	\$377,600	\$377,600	\$396,480	\$415,360	\$424,300	\$434,240
State levy rate:	\$2.85	\$2.57	\$2.57	\$2.57	\$2.57	\$2.57
Estimated taxes:	\$1,076	\$970	\$1,019	\$1,067	\$1,090	\$1,116

Note: all numbers have been rounded.

In 2019, the average residence assessed value increased approximately 12.4%. Property owners will see a slight increase in the state school levy tax from last year.

In 2020 and 2021, the state school levy rate will return to the rate authorized in EHB 2242. The following chart shows the average 2018 residence value in Snohomish County increasing approximately 12.4% in 2019 and a hypothetical 10% in 2020-2021 as well as the effect of the estimated state school levy rate:

	Scenarios						
	2018	2019	2020	2021			
Value increase %		12.4%	10%	10%			
Value:	\$377,600	\$424,300	\$466,730	\$513,403			
State levy rate:	\$2.85	\$2.57	\$2.85	\$2.85			
Estimated taxes:	\$1,076	\$1,090	\$1,330	\$1,463			

Note: all numbers have been rounded.

Also, the 10% increase in value between 2020-2021 is only for demonstration purposes. The Assessor's Office does not know what the market will do in future years.

If property values increase in 2020 and 2021 property owners can expect that their portion of taxes for the state school levy will increase. How much it will increase will depend on their assessed value since the state school levy is rate based for four years (2018-2021).

Further information on the property tax impacts of EHB 2242 may be found on the Department of Revenue (www.dor.wa.gov) and Office of School Superintendent's (www.k12.wa.us) websites.

For more information on how property tax levies are calculated visit the Assessor's website at: http://www.snohomishcountywa.gov/333/Levy

Attachments:

State School Levy and School Districts Enrichment Levies by Rates Typical Residence Taxes by State Levy and School Districts Enrichment Levies

END

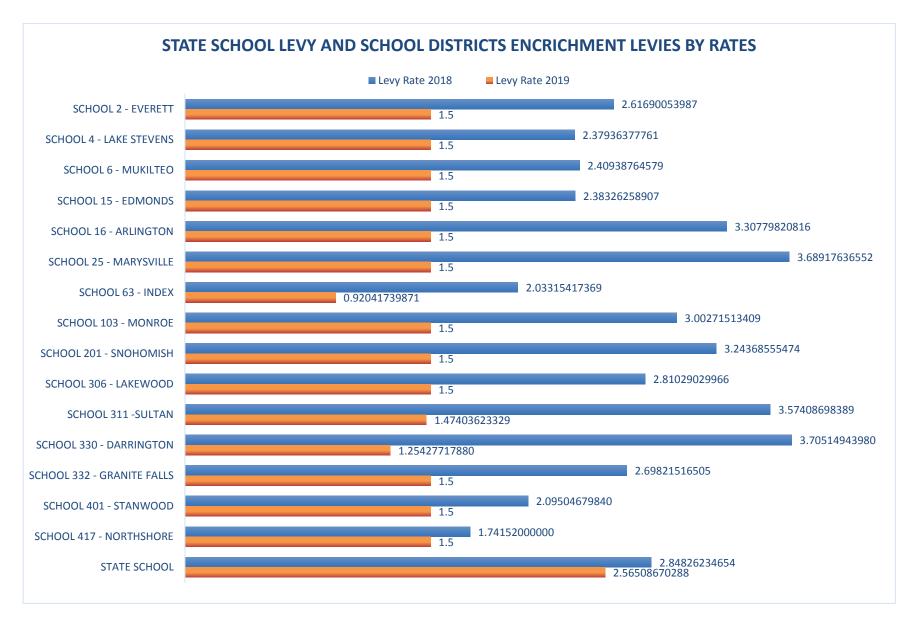
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Note: 2019 local school districts enrichment levies will be capped at \$1.50 per 1,000 of AV.

